

Message Text

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12

ACTION EUR-25

INFO OCT-01 ISO-00 EB-11 TRSE-00 CIAE-00 DODE-00 INR-11

NSAE-00 PA-04 RSC-01 USIA-15 PRS-01 SP-03 AID-20

DRC-01 FEA-02 AGR-20 /115 W
----- 102530

R 161420Z AUG 74

FM AMEMBASSY BUCHAREST

TO SECSTATE WASHDC 9715

USDOC WASHDC

UNCLAS BUCHAREST 3609

EO 11652: N/A

TAGS: EIND ETRD ETRN RO

SUBJECT: AMBASSADOR'S CALL ON MINISTER OF HEAVY MACHINE AVRAM:
NEW POTENTIAL AREAS FOR US TRADE EXPANSION

REFS: A) BUCHAREST 3443; B) BUCHAREST 3511; C) BUCHAREST 2464 (1973)
D) BUCHAREST 3104 (1973)

1. IN ADDITION TO SPECIFIC COMMERCIAL PROJECTS REPORTED IN REFTELS A AND B THE AMBASSADOR AND MINISTER AVRAM DISCUSSED SEVERAL OTHER INDUSTRIAL PROGRAMS WHICH HOLD HIGH PRIORITY IN ROMANIA'S ECONOMIC DEVELOPMENT PLAN AND WHICH OFFER NEW POTENTIAL FOR US EXPORTS. AVARAM PINPOINTED SEVERAL INDUSTRIAL CATEGORIES, LISTED BELOW, AS THOSE IN WHICH ROMANIA WOULD WELCOME MORE ACTIVE US FIRM PARTICIPATION. IN VIEW OF AVRAM'S PERSONAL INTEREST IN THESE PROJECTS AND HIS INITIATIVE IN REQUESTING THE AMBASSADOR TO ENCOURAGE AMERICAN FIRM INVOLVEMENT,, WE SEE THIS AS SIGNIFICANT NEW OPPORTUNITY FOR EXPANSION OF US COMMERCIAL AND ECONOMIC INTERESTS IN ONE OF ROMANIA'S TOP PRIORITY FIELDS. ACTION REQUESTED: IN ORDER TO TAKE EARLY ADVANTAGE OF THE POTENTIAL IN THESE PROJCTS FOR US TRADE EXPANSION WE REQUEST THAT STATE AND COMMERCE COORDINATE A CANVASS OF US FIRMS TO INFORM THEM OF THESE POSSIBILITIES, AND TO DETERMINE THE LEVEL OF INTEREST IN THESE PROPOSALS. WE WOULD LIKE TO BE ABLE TO GIVE SOME DEFINITE RESPONSE TO MINISTER AVARAM ABOUT WEEK OF SEPTEMBER 16-20. THIS TIMING WOULD ALLOW US TO MAKE SOME HEADWAY

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ON THESE MAJOR PROJECTS BEFORE THE ROMANIAN PARTY CONGRESS MEETING

IN NOVEMBER WHEN THE MINISTRIES WILL BE REPORTING ON THE PROGRESS AND FORMULATION OF THEIR LONG-TERM DEVELOPMENT PLANS.

2. AVRAM HIGHLIGHTED THE FOLLOWING PROJECTS:

A) ROLLER BEARINGS

THE MINISTRY HAS BEGUN PREPARATORY WORK FOR AN EXPANSION OF MANUFACTURING FACILITIES IN ROMANIA FOR VERY LARGE ROLLER BEARINGS, ESPECIALLY FOR USE IN THE EXPANDING MACHINE TOOL AND PETROLEUM INDUSTRIES. ROMANIA NEEDS BOTH TECHNOLOGY AND EQUIPMENT, AND IS WILLING TO CONSIDER A VARIETY OF COOPERATIVE ARRANGEMENTS INCLUDING THE PURCHASE OF EQUIPMENT AND TECHNOLOGY, TURNKEY PROJECTS OR JOINT VENTURES MANUFACTURING FACILITIES IN ROMANIA. (ROLLWAY BEARING CO. HAS HAD REPRESENTATIVES HERE RECENTLY; SEE STATE 164493.)

B) HEAVY TRUCKS

THE MINISTRY IS DEVELOPING A PROGRAM FOR THE MANUFACTURE OF LARGE TRUCKS OF 50-100 TON CAPACITY. THIS PROPOSAL HAD ALREADY BEEN DISCUSSED WITH WHITE MOTORS BUT, ACCORDING TO AVRAM, WHITE RESPONDED IN SPRING 1974 THAT IT WAS NO LONGER INTERESTED BUT REASONS NOT GIVEN BY WHITE. THE MINISTRY WOULD LIKE TO MAKE CONTACT WITH ANY OTHER US FIRM WITH CAPABILITY IN THIS FIELD. ALSO RELATED TO THE TRANSPORTATION FIELD IS THE MINISTRY'S INTEREST IN EXPANDING ITS PRODUCTION OF VEHICLE TRANSMISSION TRAINS AND GEAR BOXES.

C) EXCAVATORS

WORKED INTO THE DEVELOPMENT PLAN IS A PROGRAM FOR MANUFACTURING LARGE EARTH MOVING EQUIPMENT. LAST DISCUSSIONS HELD ON THIS SUBJECT WERE WITH BUCYRUS-ERIE IN JULY 1974, BUT NO FURTHER PROGRESS HAS BEEN MADE, ACCORDING TO AVRAM, AND THE MINISTRY IS STILL WAITING FOR A PROPOSAL FROM THE US FIRM.

D) MACHINE TOOLS

THE MINISTRY IS STILL INTERESTED IN MOVING AHEAD MORE QUICKLY ON ITS PLAN FOR THE CONSTRUCTION OF EXPANDED FACILITIES IN AT LEAST 8 NEW AREAS OF MACHINE TOOLS (REFS C AND D).

D) OFFSHORE OIL EXPLORATION

THIS PROJECT IS STILL IN ITS EARLY STAGES BUT, ACCORDING TO THE MINISTRY, ROMANIA WOULD LIKE TO EXPAND ITS EXPLORATION ACTIVITIES

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USING MORE OF ITS OWN EQUIPMENT. THEY ARE ESPECIALLY INTERESTED IN COOPERATIVE VENTURES WITH US FIRMS IN THIRD COUNTRIES COMBINING EQUIPMENT AND TECHNOLOGY FROM BOTH THE US AND ROMANIA.

E) SHIPBUILDING

ONE OF THE AREAS OF EMPHASIS WILL BE EXPANSION OF THE ROMANIAN FISHING FLEET THROUGH CONSTRUCTION OF TRAWLERS IN ROMANIA'S OWN SHIPBUILDING FACILITIES. ROMANIA PLANS TO TREBLE ITS SHIP OUTPUT

DURING THE NEXT FIVE YEAR PLAN, AND WOULD LIKE TO BEGIN INITIAL DISCUSSIONS WITH US FIRMS IN THIS INDUSTRY PARTICULARLY REGARDING EQUIPMENT FOR THE FLEET.

F) AGRICULTURAL MACHINERY AND EQUIPMENT

AVRAM RESPONDED TO THE AMBASSADOR'S SUGGESTION THAT THIS IS ALSO A PROFITABLE AREA FOR COOPERATION WITH US FIRMS, ESPECIALLY IN CEREAL HARVESTING MACHINERY, IRRIGATION, EQUIPMENT AND FACILITIES, AND EQUIPMENT FOR THE LIVESTOCK INDUSTRY.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NEGOTIATIONS, DIESEL ENGINES, PROGRAMS (PROJECTS), DIPLOMATIC DISCUSSIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 16 AUG 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974BUCHAR03609
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740227-0101
From: BUCHAREST
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740842/aaaabjzi.tel
Line Count: 125
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: A) BUCHAREST 3443; B) BUCHAREST 3511, ; C) BUCHAREST 2464 (1973)
Review Action: RELEASED, APPROVED
Review Authority: martinjw
Review Comment: n/a
Review Content Flags:
Review Date: 31 MAY 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <31 MAY 2002 by reddocgw>; APPROVED <23 JAN 2003 by martinjw>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: AMBASSADOR'S CALL ON MINISTER OF HEAVY MACHINE AVRAM: NEW POTENTIAL AREAS FOR US TRADE EXPANSION
TAGS: EIND, ETRD, ETRN, BGEN, BEXP, RO, (AVRAM)
To: STATE COM
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005